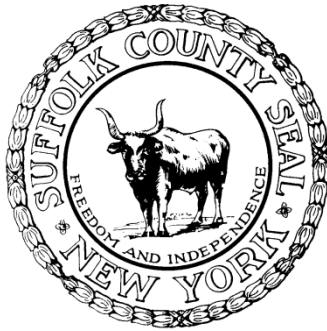


**SUFFOLK COUNTY
DEPARTMENT OF LABOR, LICENSING & CONSUMER AFFAIRS**

**SUFFOLK COUNTY
WORKFORCE INVESTMENT BOARD**

COST BENEFIT ANALYSIS
June 2011 - July 2012



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Suffolk County Executive

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Commissioner of Labor, Licensing & Consumer Affairs

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The Suffolk County Department of Labor (SCDOL) assists adults and youth who are unemployed, underemployed and those on temporary assistance attain long term employment by providing quality job training and employment services. Federal and state funds are allocated each year to ensure the successful operation of these programs. The funding enables the SCDOL to operate a premier New York State certified One-Stop Employment Center in Suffolk County.

An analysis is conducted annually to determine the cost benefit of the programs it administers. Program cost and performance is evaluated to determine if the benefits generated are worth the financial investment. **This year's analysis shows that every \$1.00 spent generated a return of \$4.84.** The programs offered through Suffolk County's award winning One-Stop Employment Center generate an excellent return for each dollar invested.

During this past Program Year (July 1, 2011 to June 30, 2012), the Suffolk County One-Stop Employment Center provided employment and training services to 9,189 adult and dislocated workers, and 314 youth (ranging from 14 to 21 years of age). As the unemployment rate increased this year throughout Suffolk County SCDOL provided services to over 1,000 additional individuals as compared to the prior year.

In addition, a variety of services, including on-the-job training opportunities, were made available to the local business community.



Samuel Chu
Commissioner of Labor, Licensing &
Consumer Affairs

The SCDOL operates two major training programs for the residents and businesses of Suffolk as follows:

WORKFORCE INVESTMENT ACT

The first program is funded under the Workforce Investment Act (WIA). WIA was passed by Congress and signed into law on August 7, 1998. The intent of the legislation is to standardize workforce programs across funding streams to increase the employment opportunities, job retention, and earning potential of customers.

WIA serves adults, dislocated workers and youth. Some of the services include job training, work experience, workshops specializing in social media, job search assistance, resume preparation, career counseling, and more than 100 vocational training classes.

During the twelve-month period between July 1, 2011 and June 30, 2012, the SCDOL was able to place 53.4% and 63.8% of all adult and dislocated workers, respectively, into employment immediately upon exiting the program. In addition, many customers reported securing employment at a later date.

Information provided through the New York State Department of Labor Wage Reporting System indicates that 81.4% of these adults and 84.9% of the dislocated workers remained employed one year after leaving or completing the program. The Out-of-School Youth Program placed approximately 95 youth into employment with 81.4% retaining employment one year after leaving or completing the program.

Total WIA Cost: \$ 7,917,743

Total WIA Benefit: \$43,447,373

A. Adult/Dislocated Worker Post-Training Wages Earned

Benefit: \$ 50,377,383

Between July 1, 2011 and June 30, 2012, our WIA Programs reported that 1,188 adults and 1,323 dislocated workers had secured unsubsidized employment. An increase of 178 individuals have found employment compared to last year's report. According to data released through the New York State Department of Labor Wage Reporting System, 83.2% or approximately 2,089 of these participants remained employed one year after program completion.

The post-training annualized wages are determined by the utilization of the New York State wage reporting system. This report indicates annualized benefit of approximately \$50,377,383.

B. Youth Wages Earned

Benefit: \$ 1,397,348

Youth Programs provided services for participants between the ages of 14 and 21. These Programs offer valuable employment guidance as part of structured, well supervised paid work experience, and internships. The year-round services are designed to encourage good work habits and teach specific career-oriented skills that

are necessary in today's workforce. The \$1,397,348 that the youth earned through this program benefited not only themselves and their families, but also the local economy when their wages were spent in neighborhood businesses.

In addition to the work experience wages mentioned above, 95 Out-of-School Youth participants entered employment which is a substantial increase from the last year's rate of 63 youth. According to the New York State Wage reporting system, 81.4% of these individuals retained their employment for one year after exiting the program earning an average salary of \$17,325. This amounts to \$1,397,348 over a twelve-month period.

TEMPORARY ASSISTANCE PROGRAM

The second program that the SCDOL administers serves individuals receiving Temporary Assistance under the Temporary Assistance for Needy Families (TANF) Program. TANF is a block grant program to help move recipients into work and turn welfare into a program of temporary assistance.

The Suffolk Works Employment Program (SWEP) provides employable TANF recipients with a variety of employment and training services. These include, but are not limited to, job readiness training, work experience, vocational education, and, job development and job placement. Additionally, working recipients may obtain post-employment services, such as vocational skills upgrading, educational services such as GED, skill enhancement (Microsoft package skills), and Income Tax and Earned Income Tax Assistance. These benefits assist individuals by improving earnings and aiding their path to self-sufficiency.

The cooperative partnership between SCDOL and Suffolk County Department of Social Services facilitates an efficient, cost effective delivery of services to those receiving Temporary Assistance. This collaboration is evident throughout the following employment and training programs.

Total TA Cost: \$ 8,148,708

Total TA Benefit: \$ 34,350,794

A. Reduction in Temporary Assistance Costs

Benefit: \$ 8,557,862

When a Temporary Assistance client fails to comply with program requirements, a closure or reduction of their grant may result. Suffolk County achieved substantial savings due to adjustments or closure of these grants.

B. Post Training Annualized Earnings of Participants

Benefit: \$ 17,939,966

Over the last year, 1,742 Temporary Assistance clients entered into employment compared to last year's entered employment rate of 1,608 clients. The wages of these individuals have a positive effect on the local economy, as many of the dollars earned will be spent in our community. Wage and employment data collected following

program completion is used in determining the potential annual earnings for the previous year. The post-training annualized earnings of Temporary Assistance participants who entered employment resulted in a benefit of \$17,939,966.

C. Savings Resulting from Employment

Benefit: \$ 7,852,966

When a Temporary Assistance client enters employment and begins to report income, a reduction of their grant may result. The employments mentioned above allowed Suffolk County to achieve substantial savings due to the resulting reduction in payments. In addition, savings were also accrued when the need for medical assistance was no longer needed.

COMBINED BENEFITS FROM WIA/TEMPORARY ASSISTANCE (TA) PROGRAMS

Overall Cost: \$ 16,066,451

Overall Benefit: \$ 77,798,167

In the last Program Year, 4,348 people were placed into employment. For every \$1.00 spent, a return of \$4.84 was realized.

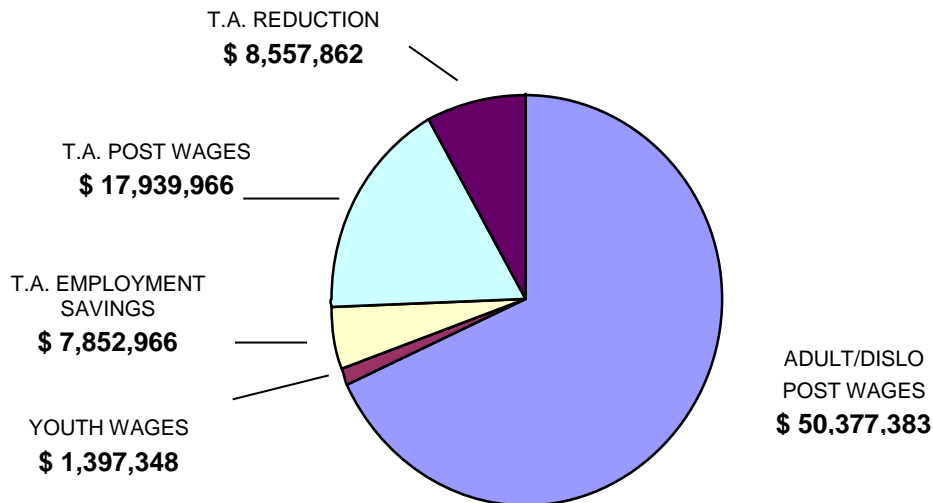
This study presents the overall benefit of the programs operated by the SCDOL. It should be noted that this analysis does not incorporate the multiplier effect that many economists use when calculating a return on an investment. The data described is based on a one-year return. This return would be increasingly greater when distributed over a period of several years. It should be noted that human service programs do not entirely correspond to this type of analysis. Additional benefits received by the local community cannot be measured simply in dollars and cents. These positive results include:

1. Upgrading the skills of the local workforce to enable area businesses and the surrounding region to remain competitive, thus keeping businesses and jobs in Suffolk County that may have relocated elsewhere.
2. The local economic benefits derived from state level discretionary incumbent workers training funds expended in Suffolk County that were not included in this analysis.
3. Individuals who no longer rely on Unemployment Insurance Benefits because the WIA Programs placed them into jobs. This provided an additional savings in Unemployment Insurance Benefit payments that are not included in the analysis.
4. Disabled individuals whose employability was enhanced after participating in WIA Programs.
5. Dropouts who returned to school and students who remained in school as a result of participating in the WIA Programs.
6. Youth who receive valuable services and the necessary job skills enabling them to become an integral part of the county's future workforce.

7. The reduction in costs for supportive services, such as child care, transportation and medical costs, for individuals who rely on Temporary Assistance may decrease when they are employed.
8. Providing an opportunity for employers to access a qualified workforce through outreach efforts, on-site job fairs, and an extensive in-house resume database.
9. Individuals who were eligible to receive Temporary Assistance were diverted into unsubsidized employment as a result of their participation in SWEP and WIA Programs.
10. The future earnings and potential upward mobility that accrue from the skills learned under these programs.

With declining state revenues and pressure on public resources, it is crucial that every dollar of federal workforce funds is invested in high quality job training that connects workers to good jobs. This Cost Benefit Analysis reveals that the SCDOL is operating programs that are both cost-effective and a significant benefit to our community.

Source of Benefits



2011/2012 Costs vs. Benefits

